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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

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5 November 1986

Ship

MEMORANDUM FOR: Alexander H. Platt
Director, International Economic Affairs
National Security Council

FROM: Deane E. Hoffmann
National Intelligence Officer for Economics

SUBJECT: NSSD 2-86: "Soviet Initiatives in International Economic Affairs"

Attached is a copy of the draft papers on NSSD 2-86 with comments in the margin by CIA analysts in DI/SOVA and DI/OGI. I agree with each of the comments and have a few suggestions of my own.

- On Page 2 of the Executive Summary, the language is significantly stronger than that in the text. How about the following: "Soviet participation, while initially aimed at building experience, will also present the Soviets with new opportunities and forums to challenge U.S. policy objectives. It also poses some risk to U.S. security interests by creating increased opportunities for KGB activity and the potential for disrupting financial markets."
- Tab I, Page 4: You may want to re-word the sentence at the bottom of the page to say: "In response to the 40 percent decline in hard currency purchasing power compared to levels of the early 1980's, the Soviets have reduced imports, increased sales of gold, and borrowed at an unprecedented level on international capital markets."
- Tab III, Page 6: "In addition, increased Soviet understanding of international financial and commercial market operations carries a risk that the Soviets may decide at some future date to manipulate these markets to the detriment of U.S. national security interests."

Deane
Deane E. Hoffmann

Attachment:
As stated

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7

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Next 11 Page(s) In Document Denied